

104TH CONGRESS
2D SESSION

H. R. 3760

To amend the Federal Election Campaign Act of 1971 to reform the financing of Federal election campaigns, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JULY 9, 1996

Mr. THOMAS (for himself, Mr. GINGRICH, Mr. ARMEY, Mr. DELAY, Mr. BOEHNER, Mr. PAXON, Mr. HOEKSTRA, Mr. WAMP, and Mr. EHLERS) introduced the following bill; which was referred to the Committee on House Oversight

A BILL

To amend the Federal Election Campaign Act of 1971 to reform the financing of Federal election campaigns, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

4 (a) SHORT TITLE.—This Act may be cited as the
5 “Campaign Finance Reform Act of 1996”.

6 (b) TABLE OF CONTENTS.—The table of contents of
7 this Act is as follows:

Sec. 1. Short title; table of contents.

Sec. 2. Findings.

TITLE I—RESTORING CONTROL OF ELECTIONS TO INDIVIDUALS

- Sec. 101. Requiring majority of House of Representatives candidate funds to come from individuals residing in district.
- Sec. 102. Reduction in allowable contribution amounts for political action committees in Federal elections to level allowed for individuals.
- Sec. 103. Modification of limitations on contributions when candidates spend or contribute large amounts of personal funds.
- Sec. 104. Indexing limits on contributions.
- Sec. 105. Prohibition of leadership committees.
- Sec. 106. Prohibiting bundling of contributions to candidates by political action committees and lobbyists.
- Sec. 107. Definition of independent expenditures.
- Sec. 108. Requirements for use of payroll deductions for contributions.

TITLE II—STRENGTHENING POLITICAL PARTIES

- Sec. 201. Modification of contribution limits and requirements for political parties.
- Sec. 202. Allowing political parties to offset funds carried over from previous elections.
- Sec. 203. Prohibiting use of non-Federal funds in Federal elections.
- Sec. 204. Permitting parties to have unlimited communication with members.
- Sec. 205. Promoting State and local party volunteer and grassroots activity.

TITLE III—DISCLOSURE AND ENFORCEMENT

- Sec. 301. Timely reporting and increased disclosure.
- Sec. 302. Streamlining procedures and rules of Federal Election Commission.

TITLE IV—GENERAL PROVISIONS

- Sec. 401. Effective date.
- Sec. 402. Severability.
- Sec. 403. Expedited court review.

1 **SEC. 2. FINDINGS.**

2 Congress finds the following:

3 (1) Our republican form of government is
 4 strengthened when voters choose their representa-
 5 tives in elections that are free of corruption or the
 6 appearance of corruption.

7 (2) Corruption or the appearance of corruption
 8 in elections may evidence itself in many ways:

9 (A) Voters who democratically elect rep-
 10 resentatives must believe they are fairly rep-

resented by those they elect. The current election laws have led many to believe that the interests of those who actually vote for their representatives are less important than those who cannot vote, but who can influence an election by their contributions to the candidates.

(B) Failure to disclose, or timely disclose, those who contribute and how much they contribute unnecessarily withholds information voters need to cast ballots with complete confidence, thereby increasing the belief of, or the appearance of, corruption.

(C) The diminishing role of political parties, despite parties' long-standing role in advancing broad national agendas, in assisting the election of party candidates, and in organizing members, has relatively enhanced groups that pursue narrower interests. This relative shift of influence has been interpreted by some as corrupting the election process.

(D) Complicated and obsolete election laws and rules discourage citizens from becoming candidates, allow for coerced involuntary payments for political purposes, fail to keep contribution amounts current with inflation, and

1 fail to provide reasonable compensating con-
 2 tribution limits for candidates who run against
 3 candidates who wish to exercise their constitu-
 4 tional right of spending their own resources.
 5 The current state of laws and rules is such that
 6 if they do not corrupt, at the very least they un-
 7 duly hinder fair, honest, and competitive elec-
 8 tions.

9 **TITLE I—RESTORING CONTROL** 10 **OF ELECTIONS TO INDIVIDUALS**

11 **SEC. 101. REQUIRING MAJORITY OF HOUSE OF REP-** 12 **RESENTATIVES CANDIDATE FUNDS TO COME** 13 **FROM INDIVIDUALS RESIDING IN DISTRICT.**

14 (a) IN GENERAL.—Section 315 of the Federal Elec-
 15 tion Campaign Act of 1971 (2 U.S.C. 441a) is amended
 16 by adding at the end the following new subsection:

17 “(i)(1) A candidate for the office of Representative
 18 in, or Delegate or Resident Commissioner to, the Congress
 19 may not accept contributions with respect to an election
 20 cycle from persons other than local individual residents to-
 21 taling in excess of the total of contributions accepted from
 22 local individual residents (as determined on the basis of
 23 the most recent information included in reports pursuant
 24 to section 304(d).

1 “(2) In determining the amount of contributions ac-
2 cepted by a candidate for purposes of this subsection, con-
3 tributions of the candidate’s personal funds shall be sub-
4 ject to the following rules:

5 “(A) To the extent that the amount of the con-
6 tribution does not exceed the limitation on contribu-
7 tions made by an individual under subsection
8 (a)(1)(A), such contribution shall be treated as any
9 other contribution.

10 “(B) The portion (if any) of the contribution
11 which exceeds the limitation on contributions which
12 may be made by an individual under subsection
13 (a)(1)(A) shall be allocated in accordance with para-
14 graph (8).

15 “(3) In determining the amount of contributions ac-
16 cepted by a candidate for purposes of this subsection, con-
17 tributions from a political party or a political party com-
18 mittee shall be allocated in accordance with paragraph (8).

19 “(4) In determining the amount of contributions ac-
20 cepted by a candidate for purposes of this subsection, any
21 funds remaining in the candidate’s campaign account
22 after the filing of the post-general election report under
23 section 304(a)(2)(A)(ii) for the most recent general elec-
24 tion shall be allocated in accordance with paragraph (8).

1 “(5) In determining the amount of contributions ac-
2 cepted by a candidate for purposes of this subsection, any
3 contributions accepted pursuant to subsection (j) which
4 are from persons other than local individual residents shall
5 be allocated in accordance with paragraph (8).

6 “(6)(A) Any candidate who accepts contributions that
7 exceed the limitation under this subsection, as determined
8 on the basis of information included in reports pursuant
9 to section 304(d), shall pay to the Commission at the time
10 of the filing of the report which contains the information,
11 for deposit in the Treasury, an amount equal to 3 times
12 the amount of the excess contributions (or, in the case
13 of a candidate described in subparagraph (C), an amount
14 equal to 5 times the amount of the excess contributions
15 plus a civil penalty in an amount determined by the Com-
16 mission).

17 “(B) Any amounts paid by a candidate under this
18 paragraph shall be paid from contributions subject to the
19 limitations and prohibitions of this title, including the lim-
20 itation under this subsection.

21 “(C) A candidate described in this subparagraph is
22 a candidate who accepts contributions that exceed the lim-
23 itation under this subsection as of the last day of the pe-
24 riod ending on the 20th day before an election or any pe-

1 riod ending after such 20th day and before or on the 20th
2 day after such election.

3 “(7) As used in this subsection, the term ‘local indi-
4 vidual resident’ means an individual who resides in the
5 congressional district involved.

6 “(8) For purposes of this subsection, any amounts
7 allocated in accordance with this paragraph shall be allo-
8 cated as follows:

9 “(A) 50 percent of such amounts shall be
10 deemed to be contributions from local individual
11 residents.

12 “(B) 50 percent of such amounts shall be
13 deemed to be contributions from persons other than
14 local individual residents.”.

15 (b) REPORTING REQUIREMENTS.—Section 304 of
16 such Act (2 U.S.C. 434) is amended by adding at the end
17 the following new subsection:

18 “(d) Each principal campaign committee of a can-
19 didate for the House of Representatives shall include the
20 following information in reports filed under subsection
21 (a)(2) and subsection (a)(6)(A):

22 “(1) With respect to each report filed under
23 such subsection—

24 “(A) the total contributions received by the
25 committee with respect to the election cycle in-

1 volved from local individual residents (as de-
2 fined in section 315(i)(7)), as of the last day of
3 the period covered by the report;

4 “(B) the total contributions received by the
5 committee with respect to the election cycle in-
6 volved which are not from local individual resi-
7 dents, as of the last day of the period covered
8 by the report; and

9 “(C) a certification as to whether the con-
10 tributions reported comply with the limitation
11 under section 315(i), as of the last day of the
12 period covered by the report.

13 “(2) In the case of the first report filed under
14 such subsection which covers the period which begins
15 19 days before an election and ends 20 days after
16 the election—

17 “(A) the total contributions received by the
18 committee with respect to the election cycle in-
19 volved from local individual residents (as de-
20 fined in section 315(i)(7)), as of the last day of
21 such period;

22 “(B) the total contributions received by the
23 committee with respect to the election cycle in-
24 volved which are not from local individual resi-
25 dents, as of the last day of such period; and

1 “(C) a certification as to whether the con-
 2 tributions reported comply with the limitation
 3 under section 315(i), as of the last day of such
 4 period.”.

5 **SEC. 102. REDUCTION IN ALLOWABLE CONTRIBUTION**
 6 **AMOUNTS FOR POLITICAL ACTION COMMIT-**
 7 **TEES IN FEDERAL ELECTIONS TO LEVEL AL-**
 8 **LOWED FOR INDIVIDUALS.**

9 (a) IN GENERAL.—Section 315(a) of the Federal
 10 Election Campaign Act of 1971 (2 U.S.C. 441a(a)) is
 11 amended—

12 (1) in paragraph (1)—

13 (A) in subparagraph (A), by inserting after
 14 “Federal office” the following: “or to any other
 15 political committee other than a political party
 16 committee in any calendar year”,

17 (B) in subparagraph (A), by adding “or”
 18 at the end,

19 (C) in subparagraph (B), by striking “po-
 20 litical committees established and maintained
 21 by a national political party” and inserting “po-
 22 litical party committees”,

23 (D) in subparagraph (B), by striking “;
 24 or” and inserting a period, and

25 (E) by striking subparagraph (C); and

1 (2) by amending paragraph (2) to read as fol-
2 lows:

3 “(2) No political party committee may make con-
4 tributions—

5 “(A) to any candidate or the candidate’s au-
6 thorized political committees with respect to any
7 election for Federal office which, in the aggregate,
8 exceed \$5,000; or

9 “(B) to any other political committee other
10 than a political party committee in any calendar
11 year which, in the aggregate, exceed \$5,000.”.

12 (b) POLITICAL PARTY COMMITTEE DEFINED.—The
13 second sentence of section 315(a)(4) of such Act (2 U.S.C.
14 441a(a)(4)) is amended to read as follows: “For purposes
15 of this section, the term ‘political party committee’ means
16 a political committee which is a national, State, district,
17 or local political party committee (including any subordi-
18 nate committee thereof).”.

19 (c) CONFORMING AMENDMENTS.—Section 311(a)(6)
20 of such Act (2 U.S.C. 438(a)(6)) is amended—

21 (1) in subparagraph (B), by striking “multi-
22 candidate committees” the first place it appears and
23 inserting “political committees which are not author-
24 ized committees of candidates or political party com-
25 mittees”;

1 (2) in subparagraph (B), by striking “multi-
2 candidate committees” the second place it appears
3 and inserting “such committees”; and

4 (3) in subparagraph (C), by striking “multi-
5 candidate committees” and inserting “committees
6 described in subparagraph (B)”.

7 **SEC. 103. MODIFICATION OF LIMITATIONS ON CONTRIBU-**
8 **TIONS WHEN CANDIDATES SPEND OR CON-**
9 **TRIBUTE LARGE AMOUNTS OF PERSONAL**
10 **FUNDS.**

11 (a) IN GENERAL.—Section 315 of the Federal Elec-
12 tion Campaign Act of 1971 (2 U.S.C. 441a), as amended
13 by section 101(a), is further amended by adding at the
14 end the following new subsection:

15 “(j)(1) Notwithstanding subsection (a), if in a gen-
16 eral election a House candidate makes expenditures of per-
17 sonal funds (including contributions by the candidate to
18 the candidate’s authorized campaign committee) in an
19 amount in excess of the amount of the limitation estab-
20 lished under subsection (a)(1)(A) and less than or equal
21 to \$150,000 (as reported under section 304(a)(2)(A)), a
22 political party committee may make contributions to an
23 opponent of the House candidate without regard to any
24 limitation otherwise applicable to such contributions under
25 subsection (a), except that the opponent may not accept

1 aggregate contributions under this paragraph in an
2 amount greater than the greatest amount of personal
3 funds expended (including contributions to the candidate's
4 authorized campaign committee) by any House candidate
5 (other than such opponent) with respect to the election
6 (as reported in a notification submitted under section
7 304(a)(6)(B)).

8 “(2) If a House candidate makes expenditures of per-
9 sonal funds (including contributions by the candidate to
10 the candidate's authorized campaign committee) with re-
11 spect to an election in an amount greater than \$150,000
12 (as reported under section 304(a)(2)(A)), the following
13 rules shall apply:

14 “(A) In the case of a general election, the limi-
15 tations under subsections (a)(1) and (a)(2) (insofar
16 as such limitations apply to political party commit-
17 tees and to individuals) shall not apply to contribu-
18 tions to the candidate or to any opponent of the can-
19 didate, except that neither the candidate or any op-
20 ponent may accept aggregate contributions under
21 this subparagraph and paragraph (1) in an amount
22 greater than the greatest amount of personal funds
23 (including contributions to the candidate's author-
24 ized campaign committee) expended by any House
25 candidate with respect to the election (as reported

1 in a notification submitted under section
2 304(a)(6)(B)).

3 “(B) In the case of an election other than a
4 general election, the limitations under subsection
5 (a)(1) (insofar as such limitations apply to individ-
6 uals) shall not apply to contributions to the can-
7 didate or to any opponent of the candidate, except
8 that neither the candidate or any opponent may ac-
9 cept aggregate contributions under this subpara-
10 graph in an amount greater than the greatest
11 amount of personal funds (including contributions to
12 the candidate’s authorized campaign committee) ex-
13 pended by any House candidate with respect to the
14 election (as reported in a notification submitted
15 under section 304(a)(6)(B)).

16 “(3) In this subsection, the term ‘House candidate’
17 means a candidate in an election for the office of Rep-
18 resentative in, or Delegate or Resident Commissioner to,
19 the Congress.”.

20 (b) NOTIFICATION OF EXPENDITURES OF PERSONAL
21 FUNDS.—Section 304(a)(6) of such Act (2 U.S.C.
22 434(a)(6)) is amended—

23 (1) by redesignating subparagraph (B) as sub-
24 paragraph (C); and

1 (2) by inserting after subparagraph (A) the fol-
2 lowing new subparagraph:

3 “(B)(i) The principal campaign committee of a
4 House candidate (as defined in section 315(j)(3)) shall
5 submit the following notifications relating to expenditures
6 of personal funds by such candidate (including contribu-
7 tions by the candidate to such committee):

8 “(I) A notification of the first such expenditure
9 (or contribution) by which the aggregate amount of
10 personal funds expended (or contributed) with re-
11 spect to an election exceeds the amount of the limi-
12 tation established under section 315(a)(1)(A) for
13 elections in the year involved.

14 “(II) A notification of each such expenditure
15 (or contribution) which, taken together with all such
16 expenditures (and contributions) in any amount not
17 included in the most recent report under this sub-
18 paragraph, totals \$5,000 or more.

19 “(III) A notification of the first such expendi-
20 ture (or contribution) by which the aggregate
21 amount of personal funds expended with respect to
22 the election exceeds the level applicable under sec-
23 tion 315(j)(2) for elections in the year involved.

24 “(ii) Each of the notifications submitted under clause
25 (i)—

1 “(I) shall be submitted not later than 24 hours
2 after the expenditure or contribution which is the
3 subject of the notification is made;

4 “(II) shall include the name of the candidate,
5 the office sought by the candidate, and the date of
6 the expenditure or contribution and amount of the
7 expenditure or contribution involved; and

8 “(III) shall include the total amount of all such
9 expenditures and contributions made with respect to
10 the same election as of the date of expenditure or
11 contribution which is the subject of the notifica-
12 tion.”.

13 **SEC. 104. INDEXING LIMITS ON CONTRIBUTIONS.**

14 (a) IN GENERAL.—Section 315(c) of the Federal
15 Election Campaign Act of 1971 (2 U.S.C. 441a(c)) is
16 amended by adding at the end the following new para-
17 graph:

18 “(3)(A) The amount of each limitation established
19 under subsection (a) shall be adjusted as follows:

20 “(i) For calendar year 1997, each such amount
21 shall be equal to the amount described in such sub-
22 section, increased (in a compounded manner) by the
23 percentage increase in the price index (as defined in
24 subsection (c)(2)) for each year after 1976 and be-
25 fore 1998.

1 “(ii) For calendar year 1999 and each second
2 subsequent year, each such amount shall be equal to
3 the amount for the second previous year (as ad-
4 justed under this subparagraph), increased (in a
5 compounded manner) by the percentage increase in
6 the price index for the previous year and the second
7 previous year.

8 “(B) In the case of any amount adjusted under this
9 subparagraph which is not a multiple of \$500, the amount
10 shall be rounded to the nearest lowest multiple of \$500.”.

11 (b) APPLICATION OF INDEXING TO SUPPORT OF
12 CANDIDATE’S COMMITTEES.—Section 302(e)(3)(B) of
13 such Act (2 U.S.C. 432(e)(3)(B)) is amended by adding
14 at the end the following new sentence: “The amount de-
15 scribed in the previous sentence shall be adjusted (for
16 years beginning with 1997) in the same manner as the
17 amounts of limitations on contributions under section
18 315(a) are adjusted under section 315(c)(3).”.

19 (c) APPLICATION OF INDEXING TO PROVISIONS RE-
20 LATING TO PERSONAL FUNDS.—

21 (1) IN GENERAL.—Section 315(j) of such Act
22 (2 U.S.C. 441a(j)), as added by section 103(a), is
23 amended—

24 (A) by redesignating paragraph (3) as
25 paragraph (4); and

1 (B) by inserting after paragraph (2) the
 2 following new paragraph:

3 “(3) Each of the amounts provided under paragraph
 4 (1) or (2) shall be adjusted for each biennial period begin-
 5 ning after the 1998 general election in the same manner
 6 as the amounts of limitations on contributions established
 7 under subsection (a) are adjusted under subsection
 8 (c)(3).”.

9 (2) CONFORMING AMENDMENT.—Section
 10 304(a)(6)(B)(i) of such Act (2 U.S.C.
 11 434(a)(6)(B)(i)), as redesignated and amended by
 12 section 103(b), is amended by striking “section
 13 315(j)(3)” and inserting “section 315(j)(4)”.

14 **SEC. 105. PROHIBITION OF LEADERSHIP COMMITTEES.**

15 (a) LEADERSHIP COMMITTEE PROHIBITION.—Sec-
 16 tion 302 of the Federal Election Campaign Act of 1971
 17 (2 U.S.C. 432) is amended by adding at the end the fol-
 18 lowing new subsection:

19 “(j) A candidate for Federal office or an individual
 20 holding Federal office may not establish, maintain, fi-
 21 nance, or control a political committee, other than a prin-
 22 cipal campaign committee of the candidate or the individ-
 23 ual.”.

24 (b) CONFORMING AMENDMENT RELATING TO JOINT
 25 FUNDRAISING.—Section 302(e)(3)(A) of such Act (2

1 U.S.C. 432(e)(3)) is amended by striking “except that—
 2 ” and all that follows and inserting the following: “except
 3 that the candidate for the office of President nominated
 4 by a political party may designate the national committee
 5 of such political party as a principal campaign committee,
 6 but only if that national committee maintains separate
 7 books of account with respect to its function as a principal
 8 campaign committee.”.

9 (c) EFFECTIVE DATE; TRANSITION RULE.—

10 (1) IN GENERAL.—The amendments made by
 11 this section shall apply with respect to elections oc-
 12 ccurring in years beginning with 1997.

13 (2) TRANSITION RULE.—

14 (A) IN GENERAL.—Notwithstanding sec-
 15 tion 302(j) of the Federal Election Campaign
 16 Act of 1971 (as added by subsection (a)), if a
 17 political committee established, maintained, fi-
 18 nanced, or controlled by a candidate for Federal
 19 office or an individual holding Federal office
 20 (other than a principal campaign committee of
 21 the candidate or individual) with respect to an
 22 election occurring during 1996 has funds re-
 23 maining unexpended after the 1996 general
 24 election, the committee may make contributions

1 or expenditures of such funds with respect to
2 elections occurring during 1997 or 1998.

3 (B) DISBANDING COMMITTEES; TREAT-
4 MENT OF REMAINING FUNDS.—Any political
5 committee described in subparagraph (A) shall
6 be disbanded after filing any post-election re-
7 ports required under section 304 of the Federal
8 Election Campaign Act of 1971 with respect to
9 the 1998 general election. Any funds of such a
10 committee which remain unexpended after the
11 1998 general election and before the date on
12 which the committee disbands shall be returned
13 to contributors or available for any lawful pur-
14 pose other than use by the candidate or individ-
15 ual involved with respect to an election for Fed-
16 eral office.

17 **SEC. 106. PROHIBITING BUNDLING OF CONTRIBUTIONS TO**
18 **CANDIDATES BY POLITICAL ACTION COMMIT-**
19 **TEES AND LOBBYISTS.**

20 Section 316 of the Federal Election Campaign Act
21 of 1971 (2 U.S.C. 441b) is amended by adding at the end
22 the following new subsection:

23 “(c)(1) No political action committee or person re-
24 quired to register under the Lobbying Disclosure Act of
25 1995 (2 U.S.C. 1601 et seq.) may act as an intermediary

1 or conduit with respect to a contribution to a candidate
 2 for Federal office.

3 “(2) In this subsection, the term ‘political action com-
 4 mittee’ means any political committee which is not—

5 “(A) the principal campaign committee of a
 6 candidate; or

7 “(B) a political party committee.”.

8 **SEC. 107. DEFINITION OF INDEPENDENT EXPENDITURES.**

9 Section 301 of the Federal Election Campaign Act
 10 of 1971 (2 U.S.C. 431) is amended by striking paragraph
 11 (17) and inserting the following:

12 “(17)(A) The term ‘independent expenditure’ means
 13 an expenditure by a person for a communication expressly
 14 advocating the election or defeat of a clearly identified
 15 candidate which is not made with the cooperation or with
 16 the prior consent of, or in consultation with, or at the re-
 17 quest or suggestion of, a candidate or any agent or author-
 18 ized committee of such candidate.

19 “(B) For purposes of this paragraph—

20 “(i) ‘expressly advocating the election or defeat’
 21 means the use in the communication of explicit
 22 words such as ‘vote for’, ‘reelect’, ‘support’, ‘cast
 23 your ballot for’, ‘vote against’, ‘defeat’, or ‘reject’,
 24 accompanied by a reference in the communication to
 25 one or more clearly identified candidates, or words

1 such as ‘vote’ for or against a position on an issue,
 2 accompanied by a listing in the communication of
 3 one or more clearly identified candidates described
 4 as for or against a position on that issue;

5 “(ii) ‘which is not made with the cooperation or
 6 with the prior consent of, or in consultation with, or
 7 at the request or suggestion of, a candidate or any
 8 agent or authorized committee of such candidate’ re-
 9 fers to the expenditure in question for the commu-
 10 nication made by the person; and

11 “(iii) the term ‘agent’ means any person who
 12 has actual oral or written authority, either express
 13 or implied, to make or authorize the making of ex-
 14 penditures on behalf of a candidate.

15 “(C) An expenditure by a person for a communication
 16 which does not contain explicit words expressly advocating
 17 the election or defeat of a clearly identified candidate shall
 18 not be considered an independent expenditure.”.

19 **SEC. 108. REQUIREMENTS FOR USE OF PAYROLL DEDUC-**
 20 **TIONS FOR CONTRIBUTIONS.**

21 Title III of the Federal Election Campaign Act of
 22 1971 (2 U.S.C. 301 et seq.) is amended by adding at the
 23 end the following new section:

24 “USE OF PAYROLL DEDUCTIONS FOR CONTRIBUTIONS

25 “SEC. 323. (a) REQUIREMENTS FOR AUTHORIZATION
 26 OF DEDUCTION.—

1 “(1) IN GENERAL.—No amounts withheld from
2 an individual’s wages or salary during a year may be
3 used for any contribution under this title unless
4 there is in effect an authorization in writing by the
5 individual permitting the withholding of such
6 amounts for the contribution.

7 “(2) PERIOD OF AUTHORIZATION.—An author-
8 ization described in this subsection may be in effect
9 with respect to an individual for such period as the
10 individual may specify (subject to cancellation under
11 paragraph (3)), except that the period may not be
12 longer than 12 months.

13 “(3) RIGHT OF CANCELLATION.—An individual
14 with an authorization in effect under this subsection
15 may cancel or revise the authorization at any time.

16 “(b) INFORMATION PROVIDED BY WITHHOLDING
17 ENTITY.—

18 “(1) IN GENERAL.—Each entity withholding
19 wages or salary from an individual with an author-
20 ization in effect under subsection (a) shall provide
21 the individual with a statement that the individual
22 may at any time cancel or revise the authorization
23 in accordance with subsection (a)(3).

24 “(2) TIMING OF NOTICE.—The entity shall pro-
25 vide the information described in paragraph (1) to

1 an individual at the beginning of each calendar year
2 occurring during the period in which the individual's
3 authorization is in effect.”.

4 **TITLE II—STRENGTHENING**
5 **POLITICAL PARTIES**

6 **SEC. 201. MODIFICATION OF CONTRIBUTION LIMITS AND**
7 **REQUIREMENTS FOR POLITICAL PARTIES.**

8 (a) TREATMENT OF PARTY CONTRIBUTIONS UNDER
9 AGGREGATE INDIVIDUAL CAP.—Section 315(a)(3) of the
10 Federal Election Campaign Act (2 U.S.C. 441a(a)(3)) is
11 amended by adding at the end the following new sentence:
12 “For purposes of this paragraph, in determining the
13 amount of contributions made by an individual there shall
14 be excluded any contributions made by the individual to
15 a political party or a political party committee.”.

16 (b) LIMITATION AMOUNT FOR CONTRIBUTIONS TO
17 STATE POLITICAL PARTIES.—Section 315(a)(1)(B) of
18 such Act (2 U.S.C. 441a(a)(1)(B)) is amended by insert-
19 ing after “national” the following: “or State”.

20 **SEC. 202. ALLOWING POLITICAL PARTIES TO OFFSET**
21 **FUNDS CARRIED OVER FROM PREVIOUS**
22 **ELECTIONS.**

23 Section 315 of the Federal Election Campaign Act
24 of 1971 (2 U.S.C. 441a), as amended by sections 101 and

1 103(a), is further amended by adding at the end the fol-
2 lowing new subsection:

3 “(k)(1) Subject to paragraph (2), if, in a general elec-
4 tion for Federal office, a candidate who is the incumbent
5 uses campaign funds carried forward from an earlier elec-
6 tion cycle, any political party committee may make con-
7 tributions to the nominee of that political party to match
8 the funds so carried forward by such incumbent. For pur-
9 poses of this paragraph, funds shall be considered to have
10 been carried forward if the funds represent cash on hand
11 as reported in the applicable post-general election report
12 filed under section 304(a) for the general election involved,
13 plus any amount expended on or before the filing of the
14 report for a later election, less legitimate outstanding
15 debts relating to the previous election up to the amount
16 reported.

17 “(2) The political party contributions under para-
18 graph (1) may be made without regard to any limitation
19 amount otherwise applicable to such contributions made
20 under subsections (a) or (i), but a candidate may not ac-
21 cept contributions under this subsection in excess of the
22 total of funds carried forward by the incumbent can-
23 didate.”.

1 **SEC. 203. PROHIBITING USE OF NON-FEDERAL FUNDS IN**
2 **FEDERAL ELECTIONS.**

3 Title III of the Federal Election Campaign Act of
4 1971 (2 U.S.C. 431 et seq.), as amended by section 108,
5 is further amended by adding at the end the following new
6 section:

7 “RESTRICTIONS ON USE OF NON-FEDERAL FUNDS

8 “SEC. 324. (a) PROHIBITING USE OF FUNDS IN
9 FEDERAL ELECTIONS.—No funds may be expended by a
10 political party committee for the purpose of influencing
11 an election for Federal office unless the funds are subject
12 to the limitations and prohibitions of this Act, except as
13 may be provided in this section.

14 “(b) RESTRICTIONS ON USE OF FUNDS FOR MIXED
15 ACTIVITIES.—

16 “(1) PROHIBITING USE BY NATIONAL PARTY
17 COMMITTEES.—A national committee of a political
18 party (including any subordinate committee thereof)
19 may not use any funds which are not subject to the
20 limitations and prohibitions of this Act for any
21 mixed activity.

22 “(2) MIXED ACTIVITY DEFINED.—In this sub-
23 section, the term ‘mixed activity’ means any activity
24 which is both for the purpose of influencing an elec-
25 tion for Federal office and for any purpose unrelated
26 to influencing an election for Federal office, includ-

1 ing voter registration, absentee ballot programs, and
2 get-out-the-vote programs, but does not include the
3 payment of any administrative or overhead costs, in-
4 cluding salaries (other than payments made to indi-
5 viduals for get-out-the-vote activities conducted on
6 the day of an election), rent, fundraising, or commu-
7 nications to members of a political party.

8 “(c) RESTRICTIONS ON USE OF FUNDS FOR MIXED
9 CANDIDATE-SPECIFIC ACTIVITIES.—

10 “(1) REQUIRING ALLOCATION AMONG CAN-
11 DIDATES.—A political party committee may use
12 funds which are not subject to the limitations and
13 prohibitions of this Act for mixed candidate-specific
14 activities if the funds are allocated among the can-
15 didates involved on the basis of the time and space
16 allocated to the candidates.

17 “(2) MIXED CANDIDATE-SPECIFIC ACTIVITY DE-
18 FINED.—In this subsection, the term ‘mixed can-
19 didate-specific activity’ means any activity which is
20 both for the purpose of promoting a specific can-
21 didate or candidates in an election for Federal office
22 and for the purpose of promoting a specific can-
23 didate or candidates in any other election.”.

1 **SEC. 204. PERMITTING PARTIES TO HAVE UNLIMITED COM-**
2 **MUNICATION WITH MEMBERS.**

3 (a) IN GENERAL.—Section 315(d) of the Federal
4 Election Campaign Act of 1971 (2 U.S.C. 441a(d)) is
5 amended by adding at the end the following new para-
6 graph:

7 “(4)(A) For purposes of applying the limitations es-
8 tablished under paragraphs (2) and (3), in determining
9 the amount of expenditures made by a national committee
10 of a political party or a State committee of a political
11 party (including any subordinate committee of a State
12 committee), there shall be excluded any amounts expended
13 by the committee for communications to the extent the
14 communications are made to members of the party.

15 “(B) For purposes of subparagraph (A), an individ-
16 ual shall be considered to be a ‘member’ of a political
17 party if any of the following apply:

18 “(i) The individual is registered to vote as a
19 member of the party.

20 “(ii) There is a public record that the individual
21 voted in the primary of the party during the most
22 recent primary election.

23 “(iii) The individual has made a contribution to
24 the party and the contribution has been reported to
25 the Commission (in accordance with this Act) or to
26 a State reporting agency.

1 “(iv) The individual has indicated in writing
2 that the individual is a member of the party.”.

3 (b) FUNDS AVAILABLE FOR PARTY COMMUNICA-
4 TIONS.—Section 324 of such Act, as added by section 203,
5 is amended by adding at the end the following new sub-
6 section:

7 “(d) FUNDS FOR PARTY COMMUNICATIONS WITH
8 MEMBERS.—Subsection (a) shall not apply with respect
9 to funds expended by a political party for communications
10 to the extent the communications are made to members
11 of the party (as determined in accordance with section
12 315(d)(4)), except that any communications which are
13 both for the purpose of expressly advocating the election
14 or defeat of a specific candidate for election to Federal
15 office and for any other purpose shall be subject to alloca-
16 tion in the same manner as funds expended for mixed can-
17 didate-specific activities under subsection (c).”.

18 **SEC. 205. PROMOTING STATE AND LOCAL PARTY VOLUN-**
19 **TEER AND GRASSROOTS ACTIVITY.**

20 (a) ENCOURAGING STATE AND LOCAL PARTY AC-
21 TIVITIES.—

22 (1) CONTRIBUTIONS.—Section 301(8)(B) of the
23 Federal Election Campaign Act of 1971 (2 U.S.C.
24 431(8)(B)), as amended by section 110(a), is
25 amended—

1 (A) by striking “and” at the end of clause
2 (xiv);

3 (B) by striking the period at the end of
4 clause (xv) and inserting “; and”; and

5 (C) by adding at the end the following new
6 clause:

7 “(xvi) the payment by a State or local commit-
8 tee of a political party for any of the following activi-
9 ties:

10 “(I) The listing of the slate of the party’s
11 candidates, including the communication of the
12 slate to the public.

13 “(II) The mailing of materials for or on
14 behalf of specific candidates by volunteers (in-
15 cluding labeling envelopes or affixing postage or
16 other indicia to particular pieces of mail), other
17 than the mailing of materials to a commercial
18 list.

19 “(III) Conducting a telephone bank for or
20 on behalf of specific candidates staffed by vol-
21 unteers.

22 “(IV) The distribution of collateral mate-
23 rials (such as pins, bumper stickers, handbills,
24 brochures, posters, party tabloids, and yard

1 signs) for or on behalf of specific candidates
2 (whether by volunteers or otherwise).”.

3 (2) EXPENDITURES.—Section 301(9)(B) of
4 such Act (2 U.S.C. 431(9)(B)), as amended by sec-
5 tion 110(b), is amended—

6 (A) by striking “and” at the end of clause
7 (xi);

8 (B) by striking the period at the end of
9 clause (xii) and inserting “; and”; and

10 (C) by adding at the end the following new
11 clause:

12 “(xiii) the payment by a State or local commit-
13 tee of a political party for any of the following activi-
14 ties:

15 “(I) The listing of the slate of the party’s
16 candidates, including the communication of the
17 slate to the public.

18 “(II) The mailing of materials for or on
19 behalf of specific candidates by volunteers (in-
20 cluding labeling envelopes or affixing postage or
21 other indicia to particular pieces of mail), other
22 than the mailing of materials to a commercial
23 list.

1 “(III) Conducting a telephone bank for or
2 on behalf of specific candidates staffed by vol-
3 unteers.

4 “(IV) The distribution of collateral mate-
5 rials (such as pins, bumper stickers, handbills,
6 brochures, posters, party tabloids, and yard
7 signs) for or on behalf of specific candidates
8 (whether by volunteers or otherwise).”.

9 (3) CONFORMING AMENDMENTS.—(A) Section
10 301(8)(B)(x) of such Act (2 U.S.C. 431(8)(B)(x)) is
11 amended by striking “in connection with volunteer
12 activities on behalf of nominees of such party” and
13 inserting “in connection with State or local activi-
14 ties, other than any payment described in clause
15 (xvi)”.

16 (B) Section 301(9)(B)(viii) of such Act (2
17 U.S.C. 431(9)(B)(viii)) is amended by striking “in
18 connection with volunteer activities on behalf of
19 nominees of such party” and inserting “in connec-
20 tion with State or local activities, other than any
21 payment described in clause (xii)”.

22 (b) FUNDS AVAILABLE FOR ACTIVITIES.—

23 (1) PERMITTING USE OF NON-FEDERAL FUNDS
24 FOR MIXED ACTIVITIES.—Section 324(b) of such
25 Act, as added by section 203, is amended—

1 (A) by redesignating paragraph (2) as
2 paragraph (3); and

3 (B) by inserting after paragraph (1) the
4 following new paragraph:

5 “(2) USE BY STATE OR LOCAL PARTY COMMIT-
6 TEES.—A State, local, or district committee of a po-
7 litical party (including any subordinate committee
8 thereof) may use funds which are not subject to the
9 limitations and prohibitions of this Act for mixed ac-
10 tivity if the funds are allocated in accordance with
11 the process described in subsection (g).”.

12 (2) FUNDS AVAILABLE FOR STATE AND LOCAL
13 PARTIES.—Section 324 of such Act, as added by sec-
14 tion 203 and as amended by section 204(b), is
15 amended by adding at the end the following new
16 subsection:

17 “(e) FUNDS AVAILABLE FOR STATE AND LOCAL
18 PARTY VOLUNTEER AND GRASSROOTS ACTIVITIES.—Sub-
19 section (a) shall not apply with respect to payments
20 described in section 301(8)(B)(xvi) or section
21 301(9)(B)(xiii), except that any payments which are both
22 for the purpose of expressly advocating the election or de-
23 feat of a specific candidate for election to Federal office
24 and for any other purpose shall be subject to allocation

1 in the same manner as funds expended for mixed can-
 2 didate-specific activities under subsection (c).”.

3 (3) TREATMENT OF INTRA-PARTY TRANS-
 4 FERS.—Section 324 of such Act, as added by section
 5 203 and as amended by section 204(b) and para-
 6 graph (2), is amended by adding at the end the fol-
 7 lowing new subsection:

8 “(f) RULE OF CONSTRUCTION REGARDING INTRA-
 9 PARTY TRANSFERS.—Nothing in this section shall be con-
 10 strued to prohibit the transfer between and among na-
 11 tional, State, or local party committees (including any sub-
 12 ordinate committees thereof) of funds which are not sub-
 13 ject to the limitations and prohibitions of this Act.”.

14 (4) ALLOCATION PROCEDURES DESCRIBED.—
 15 Section 324 of such Act, as added by section 203
 16 and as amended by section 204(b) and paragraphs
 17 (2) and (3), is amended by adding at the end the
 18 following new subsection:

19 “(g) STATE AND LOCAL PARTY COMMITTEES; METH-
 20 OD FOR ALLOCATING EXPENDITURES FOR MIXED ACTIVI-
 21 TIES.—

22 “(1) GENERAL RULE.—All State and local
 23 party committees except those covered by paragraph
 24 (2) shall allocate their expenses for mixed activities,

1 as described in subsection (b)(2), according to the
2 ballot composition method described as follows:

3 “(A) Under this method, expenses shall be
4 allocated based on the ratio of Federal offices
5 expected on the ballot to total Federal and non-
6 Federal offices expected on the ballot in the
7 next general election to be held in the commit-
8 tee’s State or geographic area. This ratio shall
9 be determined by the number of categories of
10 Federal offices on the ballot and the number of
11 categories of non-Federal offices on the ballot,
12 as described in subparagraph (B).

13 “(B) In calculating a ballot composition
14 ratio, a State or local party committee shall
15 count the Federal offices of President, United
16 States Senator, and United States Representa-
17 tive, if expected on the ballot in the next gen-
18 eral election, as one Federal office each. The
19 committee shall count the non-Federal offices of
20 Governor, State Senator, and State Representa-
21 tive, if expected on the ballot in the next gen-
22 eral election, as one non-Federal office each.
23 The committee shall count the total of all other
24 partisan statewide executive candidates, if ex-
25 pected on the ballot in the next general election,

1 as a maximum of two non-Federal offices. State
2 party committees shall also include in the ratio
3 one additional non-Federal office if any par-
4 tisan local candidates are expected on the ballot
5 in any regularly scheduled election during the 2
6 year congressional election cycle. Local party
7 committees shall also include in the ratio a
8 maximum of 2 additional non-Federal offices if
9 any partisan local candidates are expected on
10 the ballot in any regularly scheduled election
11 during the 2 year congressional election cycle.
12 State and local party committees shall also in-
13 clude in the ratio 1 additional non-Federal of-
14 fice.

15 “(2) EXCEPTION FOR STATES THAT DO NOT
16 HOLD FEDERAL AND NON-FEDERAL ELECTIONS IN
17 THE SAME YEAR.—State and local party committees
18 in states that do not hold Federal and non-Federal
19 elections in the same year shall allocate the costs of
20 mixed activities according to the ballot composition
21 method described in paragraph (1), based on a ratio
22 calculated for that calendar year.”.

TITLE III—DISCLOSURE AND ENFORCEMENT

SEC. 301. TIMELY REPORTING AND INCREASED DISCLOSURE.

(a) DEADLINE FOR FILING.—

(1) REQUIRING REPORTS FOR ALL CONTRIBUTIONS MADE WITHIN 20 DAYS OF ELECTION; REQUIRING REPORTS TO BE MADE WITHIN 24 HOURS.—Section 304(a)(6)(A) of the Federal Election Campaign Act of 1971 (2 U.S.C. 434(a)(6)(A)) is amended—

(A) by striking “after the 20th day, but more than 48 hours before any election” and inserting “during the period which begins on the 20th day before an election and ends at the time the polls close for such election”; and

(B) by striking “48 hours” the second place it appears and inserting the following: “24 hours (or, if earlier, by midnight of the day on which the contribution is deposited)”.

(2) REQUIRING ACTUAL DELIVERY BY DEADLINE.—

(A) **IN GENERAL.—**Section 304(a)(6) of such Act (2 U.S.C. 434(a)(6)), as amended by

1 section 103(b), is further amended by adding at
2 the end the following new subparagraph:

3 “(D) Notwithstanding paragraph (5), the time at
4 which a notification or report under this paragraph is re-
5 ceived by the Secretary, the Commission, or any other re-
6 cipient to whom the notification is required to be sent shall
7 be considered the time of filing of the notification or report
8 with the recipient.”.

9 (B) CONFORMING AMENDMENT.—Section
10 304(a)(5) of such Act (2 U.S.C. 434(a)(5)) is
11 amended by striking “paragraph (2)(A)(i) or
12 (4)(A)(ii)” and inserting “paragraphs (2)(A)(i),
13 (4)(A)(ii), or (6))”.

14 (b) INCREASING ELECTRONIC DISCLOSURE.—Section
15 304(a)(6) of such Act (2 U.S.C. 434(a)(6)), as amended
16 by section 103(b) and subsection (a)(2)(A), is further
17 amended by adding at the end the following new subpara-
18 graph:

19 “(E)(i) The Commission shall make the information
20 contained in the reports submitted under this paragraph
21 available on the Internet and publicly available at the of-
22 fices of the Commission as soon as practicable (but in no
23 case later than 24 hours) after the information is received
24 by the Commission.

1 “(ii) In this subparagraph, the term ‘Internet’ means
2 the international computer network of both Federal and
3 non-Federal interoperable packet-switched data net-
4 works.”.

5 (c) CHANGE IN CERTAIN REPORTING FROM A CAL-
6 ENDAR YEAR BASIS TO AN ELECTION CYCLE BASIS.—
7 Section 304(b) of such Act (2 U.S.C. 434(b)) is amended
8 by inserting “(or election cycle, in the case of an author-
9 ized committee of a candidate for Federal office)” after
10 “calendar year” each place it appears in paragraphs (2),
11 (3), (4), (6), and (7).

12 (d) CLARIFICATION OF PERMISSIBLE USE OF FAC-
13 SIMILE MACHINES TO FILE REPORTS.—Section
14 304(a)(11)(A) of such Act (2 U.S.C. 434(a)(11)) is
15 amended by striking “method,” and inserting “method
16 (including by facsimile device in the case of any report
17 required to be filed within 24 hours after the transaction
18 reported has occurred),”.

19 (e) REQUIRING RECEIPT OF INDEPENDENT EXPEND-
20 ITURE REPORTS WITHIN 24 HOURS.—

21 (1) IN GENERAL.—Section 304(c)(2) of such
22 Act (2 U.S.C. 434(c)(2)) is amended in the matter
23 following subparagraph (C)—

24 (A) by striking “shall be reported” and in-
25 serting “shall be filed”; and

1 (B) by adding at the end the following new
 2 sentence: “Notwithstanding subsection (a)(5),
 3 the time at which the statement under this sub-
 4 section is received by the Secretary, the Com-
 5 mission, or any other recipient to whom the no-
 6 tification is required to be sent shall be consid-
 7 ered the time of filing of the statement with the
 8 recipient.”.

9 (2) CONFORMING AMENDMENT.—Section
 10 304(a)(5) of such Act (2 U.S.C. 434(a)(5)), as
 11 amended by subsection (a)(2)(B), is further amend-
 12 ed by striking “or (6)” and inserting “or (6), or
 13 subsection (c)(2)”.

14 (f) REQUIRING RECORD KEEPING AND REPORT OF
 15 SECONDARY PAYMENTS BY CAMPAIGN COMMITTEES.—

16 (1) REPORTING.—Section 304(b)(5)(A) of such
 17 Act (2 U.S.C. 434(b)(5)(A)) is amended by striking
 18 the semicolon at the end and inserting the following:
 19 “, and, if such person in turn makes expenditures
 20 which aggregate \$500 or more in an election cycle
 21 to other persons (not including employees) who pro-
 22 vide goods or services to the candidate or the can-
 23 didate’s authorized committees, the name and ad-
 24 dress of such other persons, together with the date,
 25 amount, and purpose of such expenditures;”.

1 (2) RECORD KEEPING.—Section 302 of such
 2 Act (2 U.S.C. 432), as amended by section 105(a),
 3 is further amended by adding at the end the follow-
 4 ing new subsection:

5 “(k) A person described in section 304(b)(5)(A) who
 6 makes expenditures which aggregate \$500 or more in an
 7 election cycle to other persons (not including employees)
 8 who provide goods or services to a candidate or a can-
 9 didate’s authorized committees shall provide to a political
 10 committee the information necessary to enable the com-
 11 mittee to report the information described in such sec-
 12 tion.”.

13 (3) NO EFFECT ON OTHER REPORTS.—Nothing
 14 in the amendments made by this subsection may be
 15 construed to affect the terms of any other record-
 16 keeping or reporting requirements applicable to can-
 17 didates or political committees under title III of the
 18 Federal Election Campaign Act of 1971.

19 (g) INCLUDING REPORT ON CUMULATIVE CONTRIBU-
 20 TIONS AND EXPENDITURES IN POST ELECTION RE-
 21 PORTS.—Section 304(a)(7) of such Act (2 U.S.C.
 22 434(a)(7)) is amended—

23 (1) by striking “(7)” and inserting “(7)(A)”;
 24 and

1 (2) by adding at the end the following new sub-
2 paragraph:

3 “(B) In the case of any report required to be filed
4 by this subsection which is the first report required to be
5 filed after the date of an election, the report shall include
6 a statement of the total contributions received and expend-
7 itures made as of the date of the election.”.

8 (h) INCLUDING INFORMATION ON AGGREGATE CON-
9 TRIBUTIONS IN REPORT ON ITEMIZED CONTRIBUTIONS.—
10 Section 304(b)(3) of such Act (2 U.S.C. 434(b)(3)) is
11 amended—

12 (1) in subparagraph (A), by inserting after
13 “such contribution” the following: “and the total
14 amount of all such contributions made by such per-
15 son with respect to the election involved”; and

16 (2) in subparagraph (A), by inserting after
17 “such contribution” the following: “and the total
18 amount of all such contributions made by such com-
19 mittee with respect to the election involved”.

20 **SEC. 302. STREAMLINING PROCEDURES AND RULES OF**
21 **FEDERAL ELECTION COMMISSION.**

22 (a) STANDARDS FOR COMMISSION REGULATION AND
23 JUDICIAL INTERPRETATION.—Section 307 of the Federal
24 Election Campaign Act of 1971 (2 U.S.C. 437d) is amend-
25 ed by adding at the end the following new subsection:

1 “(f)(1) When developing prescribed forms and mak-
 2 ing, amending, or repealing rules pursuant to the author-
 3 ity granted to the Commission by subsection (a)(8), the
 4 Commission shall act in a manner that will have the least
 5 restrictive effect on the rights of free speech and associa-
 6 tion so protected by the First Article of Amendment to
 7 the Constitution of the United States.

8 “(2) When the Commission’s actions under para-
 9 graph (1) are challenged, a reviewing court shall hold un-
 10 lawful and set aside any actions of the Commission that
 11 do not conform with the principles set forth in paragraph
 12 (1).”.

13 (b) WRITTEN RESPONSES TO QUESTIONS.—

14 (1) IN GENERAL.—Title III of such Act (2
 15 U.S.C. 431 et seq.) is amended by inserting after
 16 section 308 the following new section:

17 “OTHER WRITTEN RESPONSES TO QUESTIONS

18 “SEC. 308A. (a) PERMITTING RESPONSES.—In addi-
 19 tion to issuing advisory opinions under section 308, the
 20 Commission shall issue written responses pursuant to this
 21 section with respect to a written request concerning the
 22 application of this Act, chapter 95 or chapter 96 of the
 23 Internal Revenue Code of 1954, a rule or regulation pre-
 24 scribed by the Commission, or an advisory opinion issued
 25 by the Commission under section 308, with respect to a
 26 specific transaction or activity by the person, if the Com-

1 mission finds the application of the Act, chapter, rule, reg-
2 ulation, or advisory opinion to the transaction or activity
3 to be clear and unambiguous.

4 “(b) PROCEDURE FOR RESPONSE.—

5 “(1) ANALYSIS BY STAFF.—The staff of the
6 Commission shall analyze each request submitted
7 under this section. If the staff believes that the
8 standard described in subsection (a) is met with re-
9 spect to the request, the staff shall circulate a state-
10 ment to that effect together with a draft response to
11 the request to the members of the Commission.

12 “(2) ISSUANCE OF RESPONSE.—Upon the expi-
13 ration of the 3-day period beginning on the date the
14 statement and draft response is circulated (excluding
15 weekends or holidays), the Commission shall issue
16 the response, unless during such period any member
17 of the Commission objects to issuing the response.

18 “(c) EFFECT OF RESPONSE.—

19 “(1) SAFE HARBOR.—Notwithstanding any
20 other provisions of law, any person who relies upon
21 any provision or finding of a written response issued
22 under this section and who acts in good faith in ac-
23 cordance with the provisions and findings of such re-
24 sponse shall not, as a result of any such act, be sub-
25 ject to any sanction provided by this Act or by chap-

1 ter 95 or chapter 96 of the Internal Revenue Code
2 of 1954.

3 “(2) NO RELIANCE BY OTHER PARTIES.—Any
4 written response issued by the Commission under
5 this section may only be relied upon by the person
6 involved in the specific transaction or activity with
7 respect to which such response is issued, and may
8 not be applied by the Commission with respect to
9 any other person or used by the Commission for en-
10 forcement or regulatory purposes.

11 “(d) PUBLICATION OF REQUESTS AND RE-
12 SPONSES.—The Commission shall make public any re-
13 quest for a written response made, and the responses is-
14 sued, under this section. In carrying out this subsection,
15 the Commission may not make public the identity of any
16 person submitting a request for a written response unless
17 the person specifically authorizes to Commission to do so.

18 “(e) COMPILATION OF INDEX.—The Commission
19 shall compile, publish, and regularly update a complete
20 and detailed index of the responses issued under this sec-
21 tion through which responses may be found on the basis
22 of the subjects included in the responses.”.

23 (2) CONFORMING AMENDMENT.—Section
24 307(a)(7) of such Act (2 U.S.C. 437d(a)(7)) is

1 amended by striking “of this Act” and inserting
2 “and other written responses under section 308A”.

3 (c) OPPORTUNITY FOR ORAL ARGUMENTS BEFORE
4 COMMISSION.—Section 309(a)(3) of such Act (2 U.S.C.
5 437g(a)(3)) is amended—

6 (1) by striking “(3)” and inserting “(3)(A)”;
7 and

8 (2) by adding at the end the following new sub-
9 paragraph:

10 “(B) If a respondent submits a brief under subpara-
11 graph (A), the respondent may submit (at the time of sub-
12 mitting the brief) a request to present an oral argument
13 in support of the respondent’s brief before the Commis-
14 sion. If at least 2 members of the Commission approve
15 of the request, the respondent shall be permitted to appear
16 before the Commission in open session and make an oral
17 presentation in support of the brief and respond to ques-
18 tions of members of the Commission. Such appearance
19 shall take place at a time specified by the Commission dur-
20 ing the 30-day period which begins on the date the request
21 is approved, and the Commission may limit the length of
22 the respondent’s appearance to such period of time as the
23 Commission considers appropriate. Any information pro-
24 vided by the respondent during the appearance shall be

1 considered by the Commission before proceeding under
2 paragraph (4).”.

3 (d) INDEX OF ADVISORY OPINIONS.—

4 (1) IN GENERAL.—Section 308 of the Federal
5 Election Campaign Act of 1971 (2 U.S.C. 437f) is
6 amended by adding at the end the following new
7 subsection:

8 “(e) The Commission shall compile, publish, and reg-
9 ularly update a complete and detailed index of the advisory
10 opinions issued under this section through which opinions
11 may be found on the basis of the subjects included in the
12 opinions.”.

13 (2) EFFECTIVE DATE.—The Federal Election
14 Commission shall first publish the index of advisory
15 opinions described in section 308(e) of the Federal
16 Election Campaign Act of 1971 (as added by para-
17 graph (1)) not later than 60 days after the date of
18 the enactment of this Act.

19 (e) STANDARD FOR INITIATION OF ACTIONS.—Sec-
20 tion 309(a)(2) of the Federal Election Campaign Act of
21 1971 (2 U.S.C. 437g(a)(2)) is amended by striking “it
22 has reason to believe” and all that follows through “of
23 1954,” and inserting the following: “it has a reason to
24 investigate a possible violation of this Act or of chapter
25 95 or chapter 96 of the Internal Revenue Code of 1954

1 that has occurred or is about to occur (based on the same
 2 criteria applicable under this paragraph prior to the enact-
 3 ment of the Campaign Finance Reform Act of 1996),”.

4 (f) APPLICATION OF AGGREGATE CONTRIBUTION
 5 LIMIT ON CALENDAR YEAR BASIS DURING NON-ELEC-
 6 TION YEARS.—Section 315(a)(3) of the Federal Election
 7 Campaign Act of 1971 (2 U.S.C. 441a(a)(3)) is amended
 8 by striking the second sentence.

9 (g) REPEAL REPORT BY SECRETARY OF COMMERCE
 10 ON DISTRICT-SPECIFIC VOTING AGE POPULATION.—Sec-
 11 tion 315(e) of the Federal Election Campaign Act of 1971
 12 (2 U.S.C. 441a(e)) is amended by striking “States, of each
 13 State, and of each congressional district” and inserting
 14 “States and of each State”.

15 (h) COMMERCIALLY REASONABLE LOANS NOT TO
 16 BE TREATED AS CONTRIBUTIONS BY LENDER.—Section
 17 301(8)(B)(vii) of the Federal Election Campaign Act of
 18 1971 (2 U.S.C. 431(8)(B)(vii)) is amended—

19 (1) by striking “or a depository” and inserting
 20 “a depository”; and

21 (2) by inserting after “Administration,” the fol-
 22 lowing: “or any other commercial lender,”.

23 (i) ABOLITION OF EX OFFICIO MEMBERSHIP OF
 24 CLERK OF HOUSE OF REPRESENTATIVES ON COMMIS-

1 SION.—Section 306(a) of the Federal Election Campaign
2 Act of 1971 (2 U.S.C. 437c(a)) is amended—

3 (1) in paragraph (1), by striking “and the
4 Clerk” and all that follows through “designees” and
5 inserting “or the designee of the Secretary”; and

6 (2) in paragraphs (3), (4), and (5), by striking
7 “and the Clerk of the House of Representatives”
8 each place it appears.

9 (j) GRANTING COMMISSION AUTHORITY TO WAIVE
10 REPORTING REQUIREMENTS.—Section 304 of such Act (2
11 U.S.C. 434), as amended by section 101(b), is further
12 amended by adding at the end the following new sub-
13 section:

14 “(e) The Commission may by unanimous vote relieve
15 any person or category of persons of the obligation to file
16 any of the reports required by this section, or may change
17 the due dates of any of the reports required by this sec-
18 tion, if it determines that such action is consistent with
19 the purposes of this title. The Commission may waive re-
20 quirements to file reports or change due dates in accord-
21 ance with this subsection through a rule of general appli-
22 cability or, in a specific case, by notifying all the political
23 committees involved.”.

24 (k) PERMITTING CORPORATIONS TO COMMUNICATE
25 WITH ALL EMPLOYEES.—

1 (1) IN GENERAL.—Section 316(b) of the Fed-
 2 eral Election Campaign Act of 1971 (2 U.S.C.
 3 441b(b)) is amended by striking “executive or ad-
 4 ministrative personnel” each place it appears in
 5 paragraphs (2)(A), (2)(B), (4)(A)(i), (4)(D), and (5)
 6 and inserting “officers or employees”.

7 (2) CONFORMING AMENDMENT.—Section
 8 316(b) of such Act is amended by striking para-
 9 graph (7).

10 (1) PERMITTING UNLIMITED SOLICITATIONS BY COR-
 11 PORATIONS OR LABOR ORGANIZATIONS; PROTECTING
 12 CONFIDENTIALITY OF CONTRIBUTIONS NOT GREATER
 13 THAN \$100.—Section 316(b) of the Federal Election
 14 Campaign Act of 1971 (2 U.S.C. 441b(b)(3)), as amended
 15 by subsection (k)(2), is amended—

16 (1) in paragraph (4)(A), by striking “(B), (C),”
 17 and inserting “(C)”;

18 (2) in paragraph (4)(A)(ii), by striking the pe-
 19 riod at the end and inserting the following: “, its of-
 20 ficers or employees and their families, employees
 21 who are not members and their families, and offi-
 22 cers, employees, or stockholders of a corporation
 23 (and their families) in which the labor organization
 24 represents members working for the corporation.”;

1 (3) in paragraph (4), by striking subparagraph
2 (B); and

3 (4) by adding at the end the following new
4 paragraph:

5 “(7)(A) Any corporation or labor organization (or
6 separate segregated fund established by such a corpora-
7 tion or such a labor organization) making solicitations of
8 contributions shall make such solicitations in a manner
9 that ensures that the corporation, organization, or fund
10 cannot determine who makes a contribution of \$100 or
11 less as a result of such solicitation and who does not make
12 such a contribution.

13 “(B) Subparagraph (A) shall not apply with respect
14 to any solicitation of contributions of a corporation from
15 its stockholders.”.

16 (m) GREATER PROTECTION AGAINST FORCE AND
17 REPRISALS.—Section 316(b)(3) of the Federal Election
18 Campaign Act of 1971 (2 U.S.C. 441b(b)(3)), is amend-
19 ed—

20 (1) by redesignating subparagraphs (A) through
21 (C) as subparagraphs (B) through (D); and

22 (2) by inserting before subparagraph (B) (as so
23 redesignated) the following new subparagraph:

24 “(A) for such a fund to cause another person
25 to make a contribution or expenditure by physical

1 force, job discrimination, financial reprisals, or the
2 threat of force, job discrimination, or financial re-
3 prisal;”.

4 (n) REQUIRING COMPLAINANT TO PROVIDE NOTICE
5 TO RESPONDENTS.—Section 309(a)(1) of the Federal
6 Election Campaign Act of 1971 (2 U.S.C. 437g(a)(1)) is
7 amended by striking the third sentence and inserting the
8 following: “The complaint shall include the names and ad-
9 dresses of persons alleged to have committed such a viola-
10 tion. Within 5 days after receipt of the complaint, the
11 Commission shall provide written notice of the complaint
12 together with a copy of the complaint to each person de-
13 scribed in the previous sentence, except that if the Com-
14 mission determines that it is not necessary for a person
15 described in the previous sentence to receive a copy of the
16 complaint, the Commission shall provide the person with
17 written notice that the complaint has been filed, together
18 with written instructions on how to obtain a copy of the
19 complaint without charge from the Commission.”.

20 (o) STANDARD FORM FOR COMPLAINTS; STRONGER
21 DISCLAIMER LANGUAGE.—

22 (1) STANDARD FORM.—Section 309(a)(1) of
23 the Federal Election Campaign Act of 1971 (2
24 U.S.C. 437g(a)(1)) is amended by inserting after
25 “shall be notarized,” the following: “shall be in a

1 standard form prescribed by the Commission, shall
2 not include (but may refer to) extraneous mate-
3 rials,”.

4 (2) DISCLAIMER LANGUAGE.—Section
5 309(a)(1) of such Act (2 U.S.C. 437g(a)(1)) is
6 amended—

7 (A) by striking “(a)(1)” and inserting
8 “(a)(1)(A)”; and

9 (B) by adding at the end the following new
10 subparagraph:

11 “(B) The written notice of a complaint provided by
12 the Commission under subparagraph (A) to a person al-
13 leged to have committed a violation referred to in the com-
14 plaint shall include a cover letter (in a form prescribed
15 by the Commission) and the following statement: ‘The en-
16 closed complaint has been filed against you with the Fed-
17 eral Election Commission. The Commission has not veri-
18 fied or given official sanction to the complaint. The Com-
19 mission will make no decision to pursue the complaint for
20 a period of at least 15 days from your receipt of this com-
21 plaint. You may, if you wish, submit a written statement
22 to the Commission explaining why the Commission should
23 take no action against you based on this complaint. If the
24 Commission should decide to investigate, you will be noti-
25 fied and be given further opportunity to respond.’”.

1 (p) BANNING ACCEPTANCE OF CASH CONTRIBU-
 2 TIONS GREATER THAN \$100.—Section 315 of the Federal
 3 Election Campaign Act of 1971 (2 U.S.C. 441a), as
 4 amended by sections 101, 103(a)(1), and 202, is further
 5 amended by adding at the end the following new sub-
 6 section:

7 “(l) No candidate or political committee may accept
 8 any contributions of currency of the United States or cur-
 9 rency of any foreign country from any person which, in
 10 the aggregate, exceed \$100.”.

11 (q) APPOINTMENT AND SERVICE OF STAFF DIREC-
 12 TOR AND GENERAL COUNSEL OF COMMISSION.—

13 (1) APPOINTMENT; LENGTH OF TERM OF SERV-
 14 ICE.—

15 (A) IN GENERAL.—The first sentence of
 16 section 306(f)(1) of the Federal Election Cam-
 17 paign Act of 1971 (2 U.S.C. 437c(f)(1)) is
 18 amended by striking “by the Commission” and
 19 inserting the following: “by an affirmative vote
 20 of not less than 4 members of the Commission
 21 and may not serve for a term of more than 4
 22 consecutive years without reappointment in ac-
 23 cordance with this paragraph”.

24 (B) EFFECTIVE DATE.—The amendment
 25 made by subparagraph (A) shall apply with re-

1 spect to any individual serving as the staff di-
2 rector or general counsel of the Federal Elec-
3 tion Commission on or after January 1, 1997,
4 without regard to whether or not the individual
5 served as staff director or general counsel prior
6 to such date.

7 (2) TREATMENT OF INDIVIDUALS FILLING VA-
8 CANCIES; TERMINATION OF AUTHORITY UPON EXPI-
9 RATION OF TERM.—Section 306(f)(1) of such Act (2
10 U.S.C. 437c(f)(1)) is amended by inserting after the
11 first sentence the following new sentences: “An indi-
12 vidual appointed as a staff director or general coun-
13 sel to fill a vacancy occurring other than by the expi-
14 ration of a term of office shall be appointed only for
15 the unexpired term of the individual he or she suc-
16 ceeds. An individual serving as staff director or gen-
17 eral counsel may not serve in any capacity on behalf
18 of the Commission after the expiration of the indi-
19 vidual’s term unless reappointed in accordance with
20 this paragraph.”.

21 (3) APPOINTMENT OF ADDITIONAL STAFF.—

22 (A) IN GENERAL.—The last sentence of
23 section 306(f)(1) of such Act (2 U.S.C.
24 437c(f)(1)) is amended by inserting “not less
25 than 4 members of” after “approval of”.

1 (B) EFFECTIVE DATE.—The amendment
 2 made by subparagraph (A) shall apply with re-
 3 spect to personnel appointed on or after Janu-
 4 ary 1, 1997.

5 (r) ENCOURAGING CITIZEN GRASSROOTS ACTIVITY
 6 ON BEHALF OF FEDERAL CANDIDATES.—

7 (1) EXEMPTION OF INDIVIDUAL CONTRIBU-
 8 TIONS UNDER \$100.—Section 301(8)(B) of the Fed-
 9 eral Election Campaign Act of 1971 (2 U.S.C.
 10 431(8)(B)), as amended by sections 110(a) and
 11 205(a), is further amended—

12 (A) by striking “and” at the end of clause
 13 (xv);

14 (B) by striking the period at the end of
 15 clause (xvi) and inserting “; and”; and

16 (C) by adding at the end the following new
 17 clause:

18 “(xvii) any payment of funds on behalf of a
 19 candidate (whether in cash or in kind, but not in-
 20 cluding a direct payment of cash to a candidate or
 21 a political committee of the candidate) by an individ-
 22 ual from the individual’s personal funds which in the
 23 aggregate does not exceed \$100, if the funds are
 24 used for activities carried out by the individual or a
 25 member of the individual’s family.”.

1 (2) EXEMPTION OF INDIVIDUAL EXPENDITURES
 2 UNDER \$100.—Section 301(9)(B) of the Federal
 3 Election Campaign Act of 1971 (2 U.S.C.
 4 431(9)(B)), as amended by sections 110(b) and
 5 205(b), is amended—

6 (A) by striking “and” at the end of clause
 7 (xii);

8 (B) by striking the period at the end of
 9 clause (xiii) and inserting “; and”; and

10 (C) by adding at the end the following new
 11 clause:

12 “(xiv) any payment of funds on behalf of a can-
 13 didate (whether in cash or in kind, but not including
 14 a direct payment of cash to a candidate or a political
 15 committee of the candidate) by an individual from
 16 the individual’s personal funds which in the aggre-
 17 gate does not exceed \$100, if the funds are used for
 18 activities carried out by the individual or a member
 19 of the individual’s family.”.

20 (s) PERMITTING PARTNERSHIPS TO SOLICIT CON-
 21 TRIBUTIONS AND PAY ADMINISTRATIVE COSTS OF POLIT-
 22 ICAL COMMITTEES IN SAME MANNER AS CORPORATIONS
 23 AND LABOR UNIONS.—

24 (1) TREATMENT OF CONTRIBUTIONS.—Section
 25 301(8)(B) of the Federal Election Campaign Act (2

1 U.S.C. 431(8)(B)), as amended by sections 110(a)
2 and 205(a) and subsection (r)(1), is amended—

3 (A) by striking “and” at the end of clause
4 (xvi);

5 (B) by striking the period at the end of
6 clause (xvii) and inserting “; and”; and

7 (C) by adding at the end the following new
8 clause:

9 “(xviii) any payment made or obligation in-
10 curred by a partnership in the establishment and
11 maintenance of a political committee, the adminis-
12 tration of such a political committee, or the sollicita-
13 tion of contributions to such committee.”.

14 (2) TREATMENT OF EXPENDITURES.—Section
15 301(9)(B) of such Act (2 U.S.C. 431(9)(B)), as
16 amended by sections 110(b) and 205(b) and sub-
17 section (r)(2), is amended—

18 (A) by striking “and” at the end of clause
19 (xiii);

20 (B) by striking the period at the end of
21 clause (xiv) and inserting “; and”; and

22 (C) by adding at the end the following new
23 clause:

24 “(xv) any payment made or obligation incurred
25 by a partnership in the establishment and mainte-

1 nance of a political committee, the administration of
2 such a political committee, or the solicitation of con-
3 tributions to such committee.”.

4 **TITLE IV—GENERAL** 5 **PROVISIONS**

6 **SEC. 401. EFFECTIVE DATE.**

7 Except as otherwise specifically provided, this Act
8 and the amendments made by this Act shall take effect
9 January 1, 1997.

10 **SEC. 402. SEVERABILITY.**

11 If any provision of this Act or any amendment made
12 by this Act, or the application thereof to any person or
13 circumstance, is held invalid, the validity of the remainder
14 of the Act and the application of such provision to other
15 persons and circumstances shall not be affected thereby.

16 **SEC. 403. EXPEDITED COURT REVIEW.**

17 (a) RIGHT TO BRING ACTION.—The Federal Elec-
18 tion Commission, a political committee under title III of
19 the Federal Election Campaign Act of 1971, or any indi-
20 vidual eligible to vote in any election for the office of Presi-
21 dent of the United States may institute an action in an
22 appropriate district court of the United States (including
23 an action for declaratory judgment) as may be appropriate
24 to construe the constitutionality of any provision of this
25 Act or any amendment made by this Act.

1 (b) HEARING BY THREE-JUDGE COURT.—Upon the
2 institution of an action described in subsection (a), a dis-
3 trict court of three judges shall immediately be convened
4 to decide the action pursuant to section 2284 of title 28,
5 United States Code. Such action shall be advanced on the
6 docket and expedited to the greatest extent possible.

7 (c) APPEAL OF INITIAL DECISION TO SUPREME
8 COURT.—An appeal may be taken directly to the Supreme
9 Court of the United States from any interlocutory order
10 or final judgment, decree, or order issued by the court of
11 3 judges convened pursuant to subsection (b) in an action
12 described in subsection (a). Such appeal shall be brought
13 not later than 20 days after the issuance by the court of
14 the judgment, decree, or order.

15 (d) EXPEDITED REVIEW BY SUPREME COURT.—The
16 Supreme Court shall accept jurisdiction over, advance on
17 the docket, and expedite to the greatest extent possible
18 an appeal taken pursuant to subsection (c).

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